



# Conforming Fixed Program Guidelines

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## Section 1 Program Summary

The Program Guidelines supplement Plaza’s Credit Guidelines. Refer to Fannie Mae’s/Freddie Mac’s Selling Guide for any information not specified in the Program Guidelines and Credit Guidelines.

The fixed-rate loan program provides a fixed interest rate and fixed payments for the life of the loan. These guidelines are for conforming balance Agency transactions. Refer to their respective program guideline for **High Balance** and **Super Conforming** transactions.

## Section 2 Product Codes

Product Name	Product Code	Available Term in Months
Conforming 10 Year Fixed	CF100	120
Conforming 15 Year Fixed	CF150	121-180
Conforming 20 Year Fixed	CF200	181-240
Conforming 30 Year Fixed	CF300	241-360
Conforming 30 Year Fixed w/ 2-1 Buydown	CF300BD21	360
Conforming 30 Year Fixed w/ 1-0 Buydown	CF300BD10	360

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**Section 3 Program Matrix**

Primary Residence Purchase and Rate & Term Refinance				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	97%	97%	Per AUS & MI	Per AUS & MI <sup>1</sup>

<sup>1</sup> Plaza's guidelines for LPA loans > 95% LTV incorporate Freddie Mac's HomeOne program.

**Additional Requirements for loans with LTV > 95%:**

- Must be DU Approve/Eligible or LPA Accept/Eligible.
- Purchase Transactions:
  - At least one borrower must be a first-time homebuyer.
  - When all borrowers are first-time homebuyers, at least one borrower must participate in homeownership education. Borrowers may use **HomeView** to complete the homeownership education requirement.
- Rate/Term Refinance Transactions: Existing mortgage must be a Fannie Mae or Freddie Mac loan. Refer to the **Transactions** section of these guidelines for more information on documenting Fannie Mae and Freddie Mac loans.
- Mortgage Insurance coverage of 35% is required.
- CLTV up to 105% allowed with an eligible Community Second or Affordable Second.
- All borrowers must occupy the property.
- Co-ops and manufactured housing are not eligible.

Primary Residence Purchase and Rate & Term Refinance				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	95%	95% <sup>1</sup>	Per AUS & MI	Per AUS & MI
Manufactured Housing	95%	95%	Per AUS & MI	Per AUS & MI
Co-op	95%	N/A <sup>5</sup>	Per AUS & MI	Per AUS & MI
2-Units	85%	85%	Per AUS & MI	Per AUS & MI
	95%	95%	Per DU & MI	Per DU & MI
3-4 Units	80%	80%	Per AUS	Per AUS
	95%	95%	Per DU & MI	Per DU & MI

Primary Residence Cash-Out Refinance				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	80%	80%	Per AUS	Per AUS
Manufactured Housing <sup>2</sup> (Multi-wide only)	65%	65%	Per AUS	Per AUS
Co-op	80%	N/A <sup>5</sup>	Per AUS	Per AUS
2-4 Units	75%	75%	Per AUS	Per AUS

Second Home Purchase and Rate/Term Refinance				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	90%	90%	Per AUS & MI	Per AUS & MI
Manufactured Housing (Multi-wide only)	90%	90%	Per AUS & MI	Per AUS & MI
Co-op	85%	N/A <sup>5</sup>	Per AUS & MI	Per AUS & MI

Second Home Cash-Out Refinance <sup>3,4</sup>				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	75%	75%	Per AUS	Per AUS

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Investment Property Purchase <sup>3,4</sup>				
1-Unit	85%	85%	Per AUS & MI	Per AUS & MI
2-4 Units	75%	75%	Per AUS	Per AUS
Investment Property Rate/Term Refinance <sup>3,4</sup>				
1-Unit	85%	85%	Per LPA	Per LPA
	75%	75%	Per DU	Per DU
2-4 Units	75%	75%	Per AUS	Per AUS
Investment Property Cash-Out Refinance <sup>3,4</sup>				
1-Unit	75%	75%	Per AUS	Per AUS
2-4 Units	70%	70%	Per AUS	Per AUS

1. Max CLTV with a Community Second or Affordable Second is 105%.
2. Manufactured Housing Cash-out:
  - a. Multi-wide only. Single-wide not eligible for cash-out
  - b. LPA only: Product term must be less than or equal to 20 years
  - c. Primary residence only
  - d. Texas Section 50(a)(6) loans not eligible
3. Manufactured housing is not eligible.
4. Co-ops are not eligible.
5. Co-op subordinate financing may be allowed by exception on Freddie Mac eligible co-ops only. Plaza's exception process must be followed.

## Section 4 Occupancy

- Owner-occupied primary residences
- Second homes
- Investment properties

## Section 5 Transactions

- Purchase
- Rate/Term refinance
- Cash-Out refinance

### Rate/Term Refinances > 95% LTV:

Rate/Term refinances with LTV > 95% are eligible only when the loan being refinanced can be documented as a Fannie Mae or Freddie Mac owned or securitized loan. For Fannie Mae owned or securitized loans the new loan must meet Fannie Mae/DU requirements and for Freddie Mac owned or securitized loans the new loan must meet Freddie Mac/LPA requirements. Documentation may come from:

- The lender's servicing system,
- The current servicer (if the lender is not the servicer), **OR**
- **Fannie Mae's Loan Lookup tool / Freddie Mac's Loan Lookup Tool**

**DU:** DU input must indicate "Fannie Mae" in the Owner of Existing Mortgage field on the online loan application. In the Desktop Originator® (DO®)/DU User Interface, this field is located on the Additional Data screen in the Full 1003. This indication will be used by DU to determine eligibility of the loan for delivery to Fannie Mae when the LTV, CLTV, or HCLTV exceed 95%. The loan file must be documented evidencing the loan being refinanced is currently owned by Fannie Mae.

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## Cash-Out:

- Cash-out refinance transactions require that any existing first mortgage being paid off through the transaction must be seasoned at least 12 months (from the Note date of the existing loan to the Note date of the new loan), as documented in the loan file (e.g. on the credit report or title commitment). The seasoning requirement does not apply when:
  - Delayed financing is utilized (because there is no lien being paid off), or
  - LPA loans only: The cash-out refinance is a special purpose cash-out refinance (see below), or
  - LPA loans only: The first lien being refinanced is a Home Equity Line of Credit (HELOC),
- At least one Borrower must have been on the title to the subject property for at least six months prior to the Note Date. For borrowers who purchased within the last 6 months with no mortgage financing refer to the Delayed Financing section in Fannie Mae's/Freddie Mac's Selling Guide.
  - **DU:** The 6-month time period is measured from the date on which the property was purchased (documented by a HUD-1 Settlement Statement or, if there was no HUD-1, a recorded deed confirming the amount paid by the borrower) and the disbursement date of the new mortgage loan.
  - **LPA:** The 6-month time period is measured from the date on which the property was purchased (documented by a HUD-1 Settlement Statement or, if there was no HUD-1, a recorded deed confirming the amount paid by the borrower) and the note date of the new mortgage loan.
- Student Loan Debt Payoff (DU loans only): The loan-level price adjustment that applies to cash-out refinance transactions will be waived when all requirements of Fannie Mae's student loan cash-out refinance feature have been met. All loans utilizing this feature must be approved through Plaza's underwriting exception process. **Note:** The loan will be locked with standard cash-out adjustments. Once the underwriting exception is approved the lock will be updated to remove the cash-out price adjustment. The underwriter must identify Special Feature Code (SFC) 841.
- Special purpose cash-out refinance (LPA loans only): A cash-out refinance where the owner of a property uses the proceeds of the refinance transaction to buy out the equity of a co-owner is a special purpose cash-out refinance. A special purpose cash-out refinance must meet cash-out requirements including LTV/TLTV and credit score.
  - The loan amount of a special purpose cash-out refinance Mortgage is limited to amounts used to buy out the equity of the co-owner, which may include:
    - Paying off the first Mortgage, regardless of age
    - Paying off junior liens secured by the Mortgaged Premises
    - Paying related Closing Costs
  - In addition, the following conditions must be met:
    - The Borrower and the co-owner receiving the buy-out proceeds must have jointly owned the property for a minimum of 12 months prior to the initial loan application (parties who inherited an interest in the property are exempt from this requirement)
    - The Borrower and the co-owner receiving the buy-out proceeds must provide evidence that they occupied the subject property as their Primary Residence (parties who inherited an interest in the property are exempt from this requirement)
    - The Borrower and the co-owner receiving the buy-out proceeds must provide a written agreement, signed by all parties, stating the terms of the property transfer and the disposition of the proceeds from the refinancing transaction
    - The Borrower who retains sole ownership of the property may not receive any of the proceeds from the refinance transaction
  - The loan-level price adjustment that applies to cash-out refinances will be waived for special purpose cash-out refinances. All loans utilizing this feature must be approved through Plaza's underwriting exception process. **Note:** The loan will be locked with standard cash-out adjustments. Once the underwriting exception is approved the lock will be updated to remove the cash-out price adjustment. The underwriter must select Special Feature Code (SFC) 203 in BREEZE.

**Refinances of Properties Listed for Sale:** Rate/Term and Cash-out Refinance: Listing agreement must be cancelled at least 1 day prior to the loan application.

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**Construction-to-Permanent Financing:** Allowed. Refer to the Construction-to-Permanent Financing section in Fannie Mae's/Freddie Mac's Selling Guide.

**Texas:** Texas Section 50(a)(6) loans are eligible. Refer to Plaza's **Texas Home Equity Guidelines** for specific guidance.

Refer to the Loan Purpose sections in Fannie Mae's/Freddie Mac's Selling Guide for additional details.

## Section 6 Property Flips

Generally, purchases of properties that have been acquired within the last 12 months are eligible when an increase in value can be supported.

## Section 7 Identity of Interest

Plaza uses the term Identity of Interest and Non-Arm's Length to describe certain transactions that pose increased risk and warrant additional precautions when evaluating that risk.

Primary residences, second homes and investment properties are eligible.

## Section 8 Loan Limits

Conforming Agency Loan Limits		
Units	Contiguous U.S.	Alaska & Hawaii
1	\$766,550	\$1,149,825
2	\$981,500	\$1,472,250
3	\$1,186,350	\$1,779,525
4	\$1,474,400	\$2,211,600

## Section 9 Subordinate Financing

Subordinate financing is allowed per the LTV/CLTV & Credit Score Tables.

**Co-ops:** Subordinate financing may be allowed by exception on Freddie Mac eligible co-ops only. Plaza's exception process must be followed.

### Community/Affordable Second:

Community/Affordable seconds are allowed. For 1-unit primary residences, excluding manufactured housing, the CLTV may be up to 105% as approved by DU if the second mortgage is a Community Second transaction. Refer to **Fannie Mae Community Seconds** document for details.

Refer to the Subordinate/Secondary Financing sections in Fannie Mae's/Freddie Mac's Selling Guide for additional details.

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## Section 10 Borrower Eligibility

### Eligible Borrowers:

- U.S. citizens
- Permanent resident aliens
- Non-permanent resident aliens
- Non-occupant co-borrowers
- Inter Vivos Revocable Trusts – Refer to Plaza’s [Living Trust Policy](#).

### Ineligible Borrowers:

- Partnerships
- Corporations
- Non-Revocable Inter Vivos Trusts
- Foreign nationals
- Borrowers with diplomatic immunity

Refer to the Borrower Eligibility sections in Fannie Mae’s/Freddie Mac’s Selling Guide for additional details.

## Section 11 Underwriting Method

### Automated Underwriting:

- Loans underwritten by Desktop Underwriter (DU) must receive an Approve/Eligible recommendation.
- Loans underwritten by Loan Product Advisor (LPA) must receive a risk classification of Accept/Eligible.

Loans may follow the DU or LPA findings report unless otherwise stated in the Program Guidelines. Additional information may be requested at the discretion of the underwriter.

Loan with LTV’s > 80% require Mortgage Insurance. Additional guidelines and restrictions may apply. Refer to MI Company specific guidelines.

Refer to the Automated Underwriting section in Plaza’s [Credit Guidelines](#) for additional details.

### Manual Underwriting:

Manual underwriting is only permitted when:

- Credit score is 620 or above
- The subject property is a primary residence, and
- where there is documented erroneous credit reported on the credit report and the DU/LPA Findings. Refer to the Manual Underwriting section in Plaza’s [Credit Guidelines](#) for additional details.

The following are not eligible for manual underwriting:

- Credit score is below 620
- LTV/CLTV > 95%
- Second home and investment properties
- Manufactured Housing
- Loans where not all borrowers have a valid credit score

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Manually underwritten loans have additional requirements for DTI, credit score, reserves and the maximum number of financed properties. Fannie Mae loans must conform to the requirements in the Fannie Mae Selling Guide and Plaza's Guidelines and Freddie Mac loans must conform to the requirements in the Freddie Mac Selling Guide and Plaza's Guidelines.

Mortgage Insurance company guidelines must also be reviewed for all manually underwritten loans with LTV > 80% as different requirements apply.

## Section 12 Credit

### Credit Score:

- The minimum credit score is determined by DU or LPA.
- When MI is required, MI credit score requirements must also be met.

### Valid Credit Score:

- At least one borrower must have a valid credit score.
  - Additional documentation requirements may apply when one or more borrowers do not have a valid credit score. Refer to Plaza's **Credit Guidelines** for additional requirements.
- When MI is required MI credit score requirements must also be met.

### Housing History:

The mortgage payment history may be deemed satisfactory when the mortgage credit rating is disclosed on the credit report, is evaluated by DU or LPA, and the loan receives an "Approve/Eligible" from DU or an "Accept/Eligible" from LPA.

For mortgage ratings not evaluated by the AUS, the mortgage history must be documented and there may be no history of any 30-day (or greater) late mortgage payments within the last 12 months. Any late payments in the last 24 months will be considered and evaluated by the underwriter.

Refer to the Credit chapter in Plaza's **Credit Guidelines** for additional details.

## Section 13 Income & Employment

Income must be documented per the DU/LPA findings certificate and Plaza's **Credit Guidelines**. Regardless of AUS findings, the following is required on all loans.

- **1003:** A completed and signed 1003 including a 2-year employment history is required for all borrowers.
- **4506-C/Tax Transcripts:** A signed 4506-C for all years in which income was used in the underwriting decision are required regardless of DU/LPA results. Refer to Plaza's **Credit Guidelines** to determine if transcripts are required.
- **Income/Employment:**
  - **Validated by DU:** When income and employment have been validated by DU, the DU findings along with Employment and Income Verification report is acceptable documentation.
  - **Not Validated by DU** (either DU Validation Services not utilized, DU unable to validate income, or AUS is LPA): If income and employment have not been validated by DU, standard documentation per Fannie Mae or Freddie Mac Selling Guide is required; however, for non-self-employed borrowers a year-to-date paystub, at minimum, is required and cannot be replaced with a handwritten VOE.

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- **Verbal Verification of Employment:**
  - **Employment Validated by DU:** DU employment validation obtained within 10 days of closing is acceptable to satisfy the VVOE requirement.
  - In all other situations and for all other employment verification methods, standard VVOE requirements apply.

When relying on DU validation services all Fannie Mae requirements must be met. Refer to Fannie Mae's Selling Guide for additional information.

### Employment and Income Commencing After the Note Date:

#### DU loans must meet Fannie Mae requirements:

- Plaza only allows Fannie Mae's Option 2. Refer to Fannie Mae's Selling Guide **B3-3.1-09 Employment Offers or Contracts**.
- The underwriter must identify Special Feature Code (SFC) 707.

#### LPA loans must meet Freddie Mac requirements:

- Plaza only allows Freddie Mac's Additional Requirements Option 1. Refer to Freddie Mac Seller Guide Section 5303.2(e) and the **Loan Product Advisor Documentation Matrix** for complete details on income.

#### Assets Used for Qualifying Income:

- Freddie Mac: Follow requirements per **Freddie Mac Selling Guide, Section 5307.1**.
- Fannie Mae employment related assets: Follow requirements per **Fannie Mae Selling Guide, Section B3-3.1-09**.
- Fannie Mae non-employment related assets may be used for Qualifying Income if all requirements below are met:
  - Wholesale loans only
  - Desktop Underwriter (DU) Approve/Eligible required. LPA loans are not eligible.
  - Primary Residence (1-2 unit) or Second Home
    - Investment properties are not eligible
    - Manufactured homes and 3-4 unit properties are not eligible
  - LTV:
    - Purchase or Rate/Term Refinance: 80% max
    - Cash-Out Refinance: 60% max
  - Credit Scores:
    - 680 for LTV/CLTV <= 70%
    - 720 for LTV/CLTV > 70%
  - Minimum Net Documented Assets Required:
    - Purchase or Rate/Term Refinance: The lesser of \$500,000 or 1.5 times the loan amount in eligible assets are required after closing (exclusive of funds for down payment, closing costs, reserves, etc.)
    - Cash-out Refinance: \$500,000 (exclusive of closing costs, reserves, etc.)
  - Net Documented Assets are the sum of eligible assets (as described in this section) less funds used for closing costs and reserves.
  - Assets Seasoning:
    - Purchase / Rate & Term >= 720 Credit Score: 12 months
    - Purchase / Rate & Term < 720 Credit Score: 24 months
    - Cash-out: 24 months
  - Assets must be liquid and be individually owned by the borrower, or if not individually owned, all account holders must be borrowers or co-borrowers on the loan.
    - Non-occupant co-borrowers' assets are only allowed when the occupant borrowers are also account holders of the asset.

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- All assets must be available to the borrower/co-borrower without penalty.
- Eligible Assets:
  - Checking/savings, money market, certificates of deposit
  - 70% of value of: Stocks, bonds, mutual funds (if using assets for income the following cannot also be used: interest, dividends and capital gains from the same assets)
  - Trust accounts
  - Cash value of vested life insurance policy
  - Vested amounts in a retirement savings account (if funds are in stocks, bonds or mutual funds then 70% of the vested value may be used).
    - For retirement funds to be eligible they must be vested and they must be available for withdrawal prior to retirement and prior to employment termination.
- Monthly qualifying income is determined by dividing the net documented assets by the term of the loan (in months).
- Plaza's **Assets As Income Calculator** must be included in the loan file.
- All loans utilizing this feature must be approved through Plaza's underwriting exception process with approvals by Corporate Underwriting and Secondary Marketing.

Refer to the Employment and Income chapter in Plaza's **Credit Guidelines** for additional details.

## Section 14 Qualifying Ratios

The maximum debt-to-income (DTI) ratio will be determined by DU or LPA, and if applicable, the MI company.

## Section 15 Down Payment / Gifts

For DU loans follow Fannie Mae requirements. For LPA loans follow Freddie Mac requirements.

### DU loans utilizing DU Asset Validation Services:

- DU Asset validation is acceptable documentation.
- The DU message must confirm that the amount reflected in the Total Funds to be Verified field has been validated and that the Asset Verification report is acceptable documentation.
- If the borrower is receiving funds from a gift, the loan is not eligible for asset validation.
- If any borrower on the loan is using employment-related assets as income, the loan is not eligible for asset validation.

When relying on DU validation services all Fannie Mae requirements must be met. Refer to Fannie Mae's Selling Guide for additional information.



## Section 16 Reserves

### Primary Residence:

- Subject Property: Per DU/LPA
- Other Financed Properties: Per DU/LPA

### Second Home or Investment Property - DU:

- Subject Property: Per DU
- Other Financed Properties: Additional reserves are required for all financed properties other than the subject property and the borrower's principal residence. The reserves are determined by applying a percentage to the aggregate of the unpaid principal balance (UPB) for mortgages and HELOCs on these other financed properties. The percentages are based on the number of financed properties:
  - 1 – 4 financed properties: 2% of the aggregate UPB<sup>1</sup>
  - 5 – 6 financed properties: 4% of the aggregate UPB<sup>1</sup>
  - 7 – 10 financed properties: 6% of the aggregate UPB<sup>1</sup> (DU Approve/Eligible only).
    - <sup>1</sup> The aggregate UPB calculation does not include mortgages and HELOCs on:
      - the subject property,
      - the borrower's principal residence,
      - properties that are sold or pending sale, and
      - accounts that will be paid by closing.

### Second Home or Investment Property - LPA:

- Subject Property: Per LPA
- 1 – 6 Other Financed Properties: 2 months of the monthly payment on each other financed property
- 7 – 10 Other Financed properties: 8 months of the monthly payment on each other financed property

## Section 17 Interested Party Contributions

Interested party contributions are limited to the following:

Occupancy	LTV/CLTV	Maximum Seller Contributions
Primary Residence and Second Home	> 90%	3%
	> 75% and ≤ 90%	6%
	≤ 75%	9%
Investment Properties	All LTVs	2%

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**Eligible Properties:**

- Attached/detached SFRs
- Attached/detached PUDs
- Low-rise/high-rise condos
- Co-ops
- 2-4 units
- Manufactured Housing

**Condos in Florida:** Florida condos have additional restrictions. Refer to Geographic-Specific Condo Project Considerations section in Plaza's **Project Standards** for additional details.

**Fannie Mae Project Eligibility Review Waiver:** Condo project review waivers are allowed for eligible Fannie Mae to Fannie Mae Limited Cash-Out Refinances.

- Current loan must use DU as the AUS.
- Prior loan must be verified as a Fannie Mae loan using **Fannie Mae's lookup tool**.
- Project Type Code must be "V".
- All loans utilizing this feature must be approved through Plaza's underwriting exception process.

**Co-ops:**

- The co-op project must be reviewed and approved by Plaza.
- Located in the states of California, Connecticut, Florida, Illinois, Maryland, New Jersey, New York or Washington D.C.
- Refer to Plaza's **Project Standards** for Plaza's complete co-op requirements.

**Manufactured Housing:**

- Must be classified as Real Property
- Single-wide and multi-wide allowed
- Single-wide Manufactured Homes:
  - Loans are limited to primary residence purchase and limited cash-out refinance transactions only
  - Manufactured homes must be at least 12 feet wide and have a minimum 400 square feet of gross living area
  - Single-wide manufactured homes in PUD projects require PERS approval (regardless of AUS)
- Manufactured homes must have been built on or after June 15, 1976
- Condos: Manufactured homes in condo projects require PERS approval (regardless of AUS)
- Co-op projects comprised of manufactured homes are ineligible
- The manufactured home may not have been previously installed or occupied at another location
- All manufactured homes must meet applicable Fannie Mae (DU) or Freddie Mac (LPA) guidelines, restrictions in these Program Guidelines, and **Plaza's Manufactured Housing Guidelines**
- Leasehold properties are ineligible
- Manufactured housing not eligible in states of Hawaii and Rhode Island



## Ineligible Properties:

- Commercial properties
- Condotels
- Geothermal homes
- Mobile homes
- Non-warrantable condos
- Timeshares
- Working farms, ranches, orchards
- Community Land Trusts

Refer to the Property Types and Project Standards chapter in Plaza's **Credit Guidelines** for additional details.

## Section 19 Appraisal

One full appraisal is required unless the AUS certificate indicates another appraisal type is allowed. Additional appraisal requirements may apply for loans with MI. Review MI guidelines for requirements.

### **Appraisal Waivers - Freddie Mac Automated Collateral Valuation (ACE) or Fannie Mae Property Inspection Waiver (PIW):**

If a loan is approved through LPA with an ACE or through DU with a PIW, Plaza will accept the appraisal waiver subject to Freddie Mac or Fannie Mae guidelines and the limitations below:

#### **Appraisal Waivers (ACE or PIW) are not eligible:**

- If loan receives an Approve/Ineligible or Accept/Ineligible recommendation. Waivers are only allowed with Approve/Eligible or Accept/Eligible findings.
- If an appraisal has been obtained for the subject transaction.
- Leaseholds
- Properties subject to resale restrictions
- Co-ops
- Manufactured Housing
- Non-Arm's length transactions
- Texas Section 50(a)(6) and Section 50(f)(2) transactions
- Purchases of REO properties
  - When the underwriter has reason to believe fieldwork is warranted based on additional information obtained about the property.
  - When the property has been subject to a possible natural disaster.

**Transferred Appraisals:** Plaza will accept transferred/assigned appraisals from the original transferring lender when all of the requirements outlined in the Appraisal Policy in Plaza's **Credit Guidelines** are met.

Refer to the Appraisal Requirements chapter in Plaza's **Credit Guidelines** for additional details.



## Section 20 Geographic Restrictions

Program specific geographic restrictions are identified below. Refer to Plaza's [Geographic State Restrictions](#) for general guidelines and restrictions.

Loans with Mortgage Insurance may have additional state specific restrictions, including reduced LTVs. Refer to the specific Mortgage Insurance Company guidelines for restrictions.

### Hawaii:

- Properties in Lava Flow Zone 1 are not allowed.
- Properties in Lava Zone 2 are eligible with additional requirements.
  - AUS must be LPA and loans must be Freddie Mac eligible.
  - Lava Zone 2 must be approved through Plaza's underwriting exception process.
  - Refer to Hawaii Lava Zone 2 requirements in Plaza's [Geographic State Restrictions](#).
- Manufactured housing not eligible.

**Rhode Island:** Manufactured housing not eligible.

### Texas:

- Texas Section 50(a)(6) loans are eligible. Refer to Plaza's [Texas Home Equity Guidelines](#) for specific guidance.
- Texas Section 50(a)(6) loans require DU as the AUS.
- Cash-out transactions require a full appraisal, regardless of AUS findings.

## Section 21 Max Financed Properties / Exposure

Plaza's Underwriter must complete the Multiple Financed Properties Checklist for borrowers with multiple financed properties. The checklist assists in determining whether a transaction meets the additional requirements.

The maximum number of financed properties, including the subject property and including the borrower's primary residence, regardless of the lending source is limited as outlined below.

- Primary Residence: No restrictions
- Second Home or Investment Property (except co-ops):
  - 1 - 6 financed properties: no additional restrictions. See [Reserves Requirement](#).
  - 7 - 10 financed properties: DU Approve/Eligible or LPA Accept/Eligible required, minimum 720 Credit Score required, see [Reserves Requirement](#).
  - > 10 financed properties is not allowed
- Second Home Co-op: Maximum of 4 financed properties allowed. See [Reserves Requirement](#).

**Maximum Loans/Maximum Exposure:** A maximum of four Plaza loans is permitted to one borrower.



## Section 22 Mortgage Insurance

Loans with LTV's greater than 80% require Mortgage Insurance.

MI guidelines are subject to change. It is the underwriter's responsibility to check the applicable MI Underwriting Guidelines online at the time of underwriting.

### Manufactured Housing:

- Multi-wide: Arch, Enact, MGIC, National MI and Radian insure multi-wide manufactured housing.
- Single-wide: Enact, MGIC and National MI insure single-wide manufactured housing.

Refer to **Plaza's Mortgage Insurance Policy** for additional information.

## Section 23 Escrow Accounts

- Escrow waivers are not permitted for LTV > 95%.
- Escrow waivers for LTV > 90% <= 95% require a minimum of 3 months verified reserves.
- Impounds should not be waived for borrowers with blemished credit histories or first-time homeowners; however, impounds may be waived if sufficient compensating factors exist and a 2<sup>nd</sup> level review by a Plaza Underwriting Team Manager is required.
- Escrow deposits for the payment of premiums for mortgage insurance may not be waived.

## Section 24 Repair Escrows

Both weather related and non-weather related holdbacks will be considered by Plaza's Underwriting Department as an exception only. Refer to Plaza's **Loan Closing Manual** for details on Repair Escrows.

Escrow holdbacks for repairs are not eligible on condos or manufactured housing.

## Section 25 ARM Adjustments

Not applicable.



## Section 26 Temporary Buydowns

Temporary Buydowns are eligible subject to the following:

- 2-1 and 1-0 buydowns are offered
- Purchase transactions only
- Primary Residence or Second Home
- Qualify at the note rate
- Manufactured homes must use DU as the AUS and all Fannie Mae guidelines must be met. Manufactured homes underwritten with LPA are ineligible
- Texas Section 50(a)(6) buydowns with DU as the AUS are not eligible
- Funds may come from the seller or other eligible interested party
  - Interested Party Contribution (IPC) limits apply
  - Seller paid buydowns should be disclosed in the purchase contract and must be provided to the appraiser with all appropriate financing data and IPCs for the subject property
  - The amount and source of all IPCs must be submitted to the AUS as applicable
- Desktop Underwriter loans require SFC 009
- Buydown Agreement required and will print with Plaza loan docs
- **Plaza's Buydown Calculator** can be used to estimate the buydown payment and total contribution amount

## Section 27 Insurance

For Insurance requirements refer to Plaza's **Hazard and Flood Insurance Policy**.

## Section 28 Other Features

Not applicable.

